

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Tuesday, September 10, 1946, at 10:30 a.m.

PRESENT: Mr. Ransom, Vice Chairman
Mr. Draper
Mr. Vardaman

Mr. Carpenter, Secretary
Mr. Morrill, Special Adviser

The action stated with respect to each of the matters hereinafter referred to was taken by the Board:

Memorandum dated September 5, 1946, from Mr. Leonard, Director of the Division of Examinations, submitting the resignation of Miss Elaine L. Quarforth, a typist in that Division, to become effective as of the close of business September 11, 1946, and recommending that the resignation be accepted as of that date, and that appropriate payment be made for the accumulated annual leave remaining to her credit at that time.

The resignation was accepted as recommended.

Letter to Mr. Hill, Vice President of the Federal Reserve Bank of Philadelphia, reading as follows:

"In accordance with the request contained in your letter of September 5, 1946, the Board approves the designation of the following employees as special assistant examiners for the Federal Reserve Bank of Philadelphia:

Thomas F. Maguire
Diann R. Abate
Frances S. Childs
Evelyn R. Donatoni
Ann Jereb
Evelyn M. Malandra

William E. Brown, Jr.
William E. Housel
Stanley J. Grigalunas
Harold F. Still, Jr.
Richard W. Havens"

Approved unanimously.

9/10/46

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Letter to "Citizens Bank of Stuart", Stuart, Florida, reading

as follows:

"The Board is glad to learn that you have completed all arrangements for the admission of your bank to membership in the Federal Reserve System and takes pleasure in transmitting herewith a formal certificate of your membership.

"It will be appreciated if you will acknowledge receipt of this certificate."

Approved unanimously.

Letter to Mr. Gidney, President of the Federal Reserve Bank

of Cleveland, reading as follows:

"This refers to your letter of August 28 which suggests that further consideration be given to the ruling, published as #8663.3 in the loose-leaf service, that civilian jeeps are not classified as automobiles for purposes of Regulation W. You observe that Willys-Overland Motors, Inc., produced 7,556 jeeps in July, and that it has been conducting an extensive national advertising campaign for these vehicles.

"In making this ruling we were influenced not only by the opinion that unregulated credit extended to purchase jeeps would be a comparatively unimportant inflationary influence, but also by the belief that jeeps are more closely related in design and function to motor trucks than to automobiles. The jeep's specifications, such as the four-wheel drive, are in many respects more like those of trucks than of passenger cars. Moreover, we are informed that most jeeps are now being sold for commercial vehicle uses, and that they are classified as motor trucks in official Government production records.

"While we appreciate your point of view, we do not believe it advisable to change this ruling on the basis of our present information, chiefly for the reason indicated that jeeps seem more properly defined as trucks than as automobiles."

Approved unanimously.

9/10/46

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Letter to Mr. Williams, Chairman of the Committee on Personnel of the Conference of Presidents, reading as follows:

"As you know, Mr. Leonard has been serving as an Associate on the subcommittee on personnel classification and job evaluation which is functioning under the Presidents' Committee on Personnel. In view of his transfer to the Division of Examinations and the appointment of Mr. Fred A. Nelson as Director of the Division of Personnel Administration, Mr. Nelson will succeed Mr. Leonard in the same capacity on the subcommittee.

"Copies of this letter are being sent to Mr. Sproul and Mr. Treiber as Chairman and Secretary, respectively, of the Presidents' Conference, and to Mr. Hilkert, Chairman of the subcommittee on personnel classification and job evaluation."

Approved unanimously.

Letter to Mr. Sproul, Chairman of the Conference of Presidents, reading as follows:

"The Board has noted from the minutes of the Conference of Presidents, held in Washington on June 7 and 8, that after discussion the Conference took no action with respect to the suggestion that the maximum period of deferment of credit for cash items by the Federal Reserve Banks be reduced from three to two business days. This matter has been given considerable thought by the Board and since such reduction would be of substantial benefit to a large number of banks and would probably not increase the present float by more than \$125,000,000 on the average, it is felt that further consideration should be given to this matter at the forthcoming Presidents' Conference.

"It will be appreciated, therefore, if you will have the following topic placed on the Conference agenda:

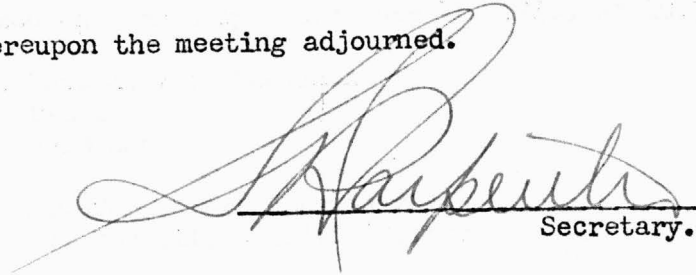
'Should not the present maximum time of three days for deferment of credit for cash items be reduced to two days?'"

Approved unanimously.

9/10/46

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Thereupon the meeting adjourned.


Secretary.

Approved:


Vice Chairman.